



State of Connecticut
Department of Developmental Services



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Governor

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Commissioner

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Deputy Commissioner

TESTIMONY OF THE
DEPARTMENT OF DEVELOPMENTAL SERVICES
TO THE
GOVERNMENT ADMINISTRATION AND ELECTIONS COMMITTEE
March 23, 2009

Senator Slossberg, Representative Spallone and members of the Government Administration and Elections Committee. I am Peter O'Meara, Commissioner of Developmental Services. Thank you for the opportunity to submit testimony in opposition to **House Bill 5824, An Act Concerning the Payment of Personal Service and Purchase of Service Contracts.**

This bill is very similar to HB 5587 from the 2008 session, except it now includes a reference to the Attorney General's involvement in the review. The fiscal note for the bill last year stated that "The bill also requires the state contracting agency pay the amounts due under the contract no later than 30 days after the agency receives a written request for payment from the contractor. This provision should have no fiscal impact during normal operating times. However, it is not clear whether this requirement would restrict the executive branch's ability to implement fiscal rescissions during times of budgetary shortfall."

Although timely payments are generally not an issue for the Department of Developmental Services (DDS), we have concerns that in the current fiscal climate, they could be. Typically there are minor delays at the beginning of the fiscal year, particularly when new contracts are being executed at the beginning of the year. Of course, with the current state of the economy, there could be delays if a state budget is not passed, or during the year if the state has cash flow problems. A retirement incentive program might also impact our agency's ability to keep payments timely.

We are also concerned that the provision requiring payment of "amounts due under such contract for services rendered, not later than thirty days after such agency receives a written request for such payment from such contractor" may have unintended effects on existing payment schedules or reporting requirements that are connected to payments. DDS lacks both the staff resources and the fiscal flexibility to alter payment processing schedules based on provider requests.

DDS would also note that the language is unclear as to when the 30 days begins and what constitutes a "finalized" contract for purposes of the timeline for approval or rejection by the state contracting agency. In addition, DDS believes that this issue of timely payments is already appropriately addressed in current state statute, CGS Sec. 41-71 "Prompt payment by state departments and agencies".

Thank you for the opportunity to express our concerns regarding House Bill 5824. Please contact Christine Pollio, DDS Director of Legislative and Executive Affairs at (860) 418-6066 if you have any questions.